

# **PUBLIC DISCLOSURE**

October 28, 2013

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Metairie Bank & Trust Company  
Certificate Number: 16539

3344 Metairie Road  
Metairie, Louisiana 70001

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Dallas Region – Memphis Area Office

6060 Primacy Parkway, Suite 300  
Memphis, Tennessee 38119

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## INSTITUTION RATING

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Outstanding.**

Metairie Bank & Trust Company is a \$350.7 million, commercial bank headquartered in Metairie, Louisiana. For this evaluation, examiners evaluated the bank as an Intermediate Small Bank (ISB). The ISB procedures evaluate the bank's performance under two tests (Lending and Community Development) to arrive at an overall rating, with both tests weighted equally. Examiners did not consider the outstanding Community Development Test rating strong enough to elevate the overall rating. The discussions below summarize the findings for the Lending and Community Development Tests, which are detailed in the following pages.

### LENDING TEST

Metairie Bank & Trust Company demonstrated a satisfactory record in relation to the Lending Test. The Lending Test evaluates five performance factors: loan-to-deposit ratio, lending in the assessment area, borrower profile loan distribution, geographic loan distribution, and response to substantiated complaints about the bank's performance in meeting credit needs of the assessment area. Examiners afforded the institution's home mortgage lending more weight than small business lending in forming conclusions for each of the applicable performance factors based on the bank's lending focus since the prior evaluation. The following is a summary of the major factors supporting the bank's rating under the Lending Test.

- The level of lending as depicted by the average, net loan-to-deposit ratio of nearly 69 percent is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- The bank exhibited a reasonable record of granting loans inside its assessment area. A majority of the bank's home mortgage and small business loans, by number and dollar volume, were originated within the assessment area.
- The distribution of small business and home mortgage borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion is supported by a reasonable record of both home mortgage and small business lending throughout the assessment area, particularly in low- or moderate-income geographies.
- Metairie Bank & Trust Company did not receive any CRA-related complaints since the previous evaluation; therefore, this performance factor had no influence on the overall rating.

Community Development Loans					
Qualifying Category	Activity Year				Totals By Category
	2010	2011	2012	2013	
Affordable Housing:					
Number	0	4	0	2	6
Dollar Amount	\$0	\$1,323,282	\$0	\$294,145	\$1,617,427
CD Organizations:					
Number	0	1	2	2	5
Dollar Amount	\$0	\$500,000	\$1,000,000	\$1,000,000	\$2,500,000
Economic Development:					
Number	0	0	0	0	0
Dollar Amount	\$0	\$0	\$0	\$0	\$0
Revitalize or Stabilize:					
Number	4	20	18	12	54
Dollar Amount	\$1,859,918	\$11,633,028	\$13,491,151	\$10,200,295	\$37,184,392
Abandoned/Foreclosed Homes:					
Number	0	0	0	0	0
Dollar Amount	\$0	\$0	\$0	\$0	\$0
<b>Totals By Year:</b>					
<b>Number</b>	<b>4</b>	<b>25</b>	<b>20</b>	<b>16</b>	<b>65</b>
<b>Dollar Amount</b>	<b>\$1,859,918</b>	<b>\$13,456,310</b>	<b>\$14,491,151</b>	<b>\$11,494,440</b>	<b>\$41,301,819</b>

Source: Bank records

Furthermore, the CRA regulation allows an Intermediate Small Bank the option of having small business loans considered as community development loans, provided they meet the definition of community development. These loans would typically be evaluated under the Lending Test versus Community Development Test. The institution selected 40 small business loans totaling \$17,024,628 to be considered as community development loans. Loans other than multifamily dwelling loans may not be considered under both the Lending and Community Development Tests. As such, the small business loans included in the above table are not included in the loans depicted in the Lending Test portion of this evaluation. The following points highlight certain community development lending activities in which the institution took a role in meeting the needs of the bank's assessment areas.

- **Revitalize and Stabilize** – Fifty-four loans totaling over \$37.1 million were originated to revitalize and stabilize designated disaster areas by attracting new or retaining existing businesses and residents. These efforts continue to provide revitalizations to the assessment area still under the hurricane disaster declaration.
- **Affordable Housing** – Six loans totaling over \$1.6 million were originated with a primary purpose of providing affordable housing. The funding of these loans was primarily used to purchase or refinance multi-family dwellings with affordable rents.
- **Community Development Organizations** – In 2011 the bank made a \$500,000 below market-rate loan with a term of one year to the Senior Housing Crime Prevention Foundation (SHCPF) for the purpose of purchasing a community development security providing housing for LMI persons. This loan was subsequently renewed in

2012 and 2013 (not automatically). The bank made a separate \$500,000 below market rate loan with a term of one year to the SHCPF in 2012 also for the purpose of purchasing a community development security providing housing for LMI persons. This loan was subsequently renewed in 2013 (not automatically). The interest from these community development securities retained by the foundation to fund housing facilities for low-and-moderate income senior citizens is given consideration as a community development grant.

### **Qualified Investments**

The institution exhibited a reasonable record regarding its community development investments in relation to capacity. The following table shows the bank's community development investments totaled \$4,414,685. The bank also granted \$89,772 in grants and donations. Qualified investments totaled \$4,504,457 which equates to 1.32 percent of the bank's quarterly average assets (\$340.6 million) and 4.16 percent of its average total investments (\$108.2 million). Total qualified investments increased substantially from \$396,000 at the previous evaluation.

Qualified Investments					
Qualifying Category	Activity Year				Totals By Category
	2010*	2011	2012	2013 YTD	
Affordable Housing:					
Number	0	0	0	1	1
Dollar Amount	\$0	\$0	\$0	\$1,220,310	\$1,220,310
CD Organizations:					
Number	0	4	5	6	15
Dollar Amount	\$0	\$980,000	\$1,220,000	\$994,375	\$3,194,375
Economic Development:					
Number	0	0	0	0	0
Dollar Amount	\$0	\$0	\$0	\$0	\$0
Revitalize or Stabilize:					
Number	0	0	0	0	0
Dollar Amount	\$0	\$0	\$0	\$0	\$0
Abandoned/Foreclosed Homes:					
Number	0	0	0	0	0
Dollar Amount	\$0	\$0	\$0	\$0	\$0
Total Investments By Year:					
Number	0	4	5	7	16
Dollar Amount	\$0	\$980,000	\$1,220,000	\$2,214,685	\$4,414,685
Total Donations By Year:					
Number	16	30	29	18	93
Dollar Amount	\$14,335	\$34,362	\$24,910	\$16,165	\$89,772
Grand Total By Year:					
Number	16	34	34	25	109
Dollar Amount	\$14,335	\$1,014,362	\$1,244,910	\$2,230,850	\$4,504,457

\*2010 Includes prior period investment Source: Bank records

The following points highlight the bank's qualified investment or donation activities.